



COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION

"Parks Make Life Better!"

Norma E. Garcia, Director

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

September 29, 2020

30 September 29, 2020

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF A LEASE AGREEMENT FOR THE
MANAGEMENT, OPERATION, AND MAINTENANCE OF THE
CHESTER WASHINGTON AND MAGGIE HATHAWAY GOLF COURSES
(SUPERVISORIAL DISTRICT 2) (3 VOTES)**

SUBJECT

The recommended action will award a ten-year Lease Agreement to American Golf of Glendale for the management, operation, and maintenance of the Chester Washington and Maggie Hathaway Golf Courses, located in the City of Los Angeles. Approval of the recommended actions will ensure that the facilities remain open and available to the public.

IT IS RECOMMENDED THAT THE BOARD:

Find that the proposed approval of the Lease Agreement is categorically exempt from the California Environmental Quality Act for the reasons stated in this Board letter and the record.

2. Approve and authorize the Director of Parks and Recreation, or her designee, to execute a ten-year Lease Agreement with American Golf of Glendale for the management, operation, and maintenance of the Chester Washington and Maggie Hathaway Golf Courses in a form substantially similar to Attachment I. The Lease Agreement will be effective beginning October 1, 2020 for proposed ten-year term.

3. Authorize the Director of Parks and Recreation, or her designee, to authorize non-material changes, pursuant to a Change Notice, to the Lease Agreement with American Golf of Glendale, for the management, operation, and maintenance of the Chester Washington and Maggie Hathaway Golf Courses.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Both the Chester Washington and Maggie Hathaway Golf Courses (Washington/Hathaway) are currently operated by American Golf Corporation (AGC) under a 20-year Lease Agreement that was effective October 15, 1993, through October 31, 2013. This Lease Agreement has been on a month-to-month term since November 1, 2013.

Approval of the recommended action to award a 10-year Lease Agreement (Attachment I) to American Golf of Glendale (AGG), effective October 1, 2020, will allow the Washington/Hathaway courses to remain open for continued and uninterrupted service to the public.

The Washington/Hathaway courses have a long history of serving as an inclusive golf course, growing the game of golf, specifically in underserved communities. The recommended Lease Agreement includes requirements for community outreach and educational programming that promote character development and life-enhancing values through golf.

Implementation of Strategic Plan Goals

The recommended Lease Agreement will further the County's Strategic Plan, Strategy II.2, Support the Wellness of Our Communities, Objective II.2.2 Expand Access to Recreational and Cultural Opportunities, Strategy III.3 Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, Objective III.3.1 Maximize Revenue, and Objective III.3.2 Manage and Maximize County Assets by expanding recreational opportunities and maximizing the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services.

FISCAL IMPACT/FINANCING

Approval of the recommended actions will result in revenue to the County of Los Angeles (County) in the form of rental fees and capital improvement funds for the Washington/Hathaway courses in an estimated total amount of \$7,678,000 over the proposed ten-year term of the recommended Agreement. The rental fee revenue will be collected monthly throughout the term of the Lease Agreement, based on the rental fee schedule outlined below:

- Green Fee, Cart Fee, Range, Senior Cards, Tournament Fees 23%
- Sale, Repair, Rental of Golf Related Merchandise, Vending Machine Sales and/or Commissions, Other Miscellaneous Sales 6%
- Food/Beverage 8%
- Liquor 12%
- Banquet and Meeting Rooms Rentals and all Ancillary Services and Related Equipment, Parking Lot Rentals, and Filming Fees 25%
- Banquet Food and Non-Alcoholic Beverages 8%

Of the total rental fee revenue of \$7,678,000, over the proposed 10-year term, an estimated amount of \$4,749,000 will be deposited into the Department's Golf Course Operating Fund (CA8). An estimated amount of \$2,839,000 will be deposited into the Department's Golf Capital Improvement Fund (CA2) to be used for golf course improvements throughout the County Golf Course System. In addition, AGG shall contribute \$90,000, which will be deposited into the Department's Capital Improvement Fund (CA2), to be used for golf course improvements specifically at the Washington/Hathaway courses.

AGG shall provide and pay for water, electricity, gas, and telephone and internet services needed to serve the Chester Washington Golf Course. AGG shall provide and pay for the water, telephone, and internet services for the Maggie Hathaway Golf Course. The County shall provide and pay for electricity and gas services for the Maggie Hathaway Golf Course.

Operating Budget Impact

In accordance with the terms of the recommended Agreement, it is estimated that CA8 will realize rent revenues of \$270,000 in Fiscal Year (FY) 2020-21 (nine months) and \$356,000 in FY 2021-22. Based on these estimated revenues, the Department's FY 2020-21 Operating Budget will have a revenue reduction of \$330,000. The payment of utilities will not have an impact on the Department's Operating Budget since the responsible parties in the recommended Agreement are consistent with the current Agreement. The Department of Parks and Recreation (Department) will work with the Chief Executive Office to adjust its Operating Budget revenue and appropriation in the appropriate fiscal year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board is authorized by the provision of Government Code Section 25907 to lease County Parks and Recreation real property to any person, firm, or corporation for concessions and services consistent with public Park and Recreation purposes. The proposed Lease Agreement is consistent with said purposes.

The County maintains databases that track/monitor the contractor's performance history. Information entered into such databases may be used for a variety of purposes. No negative information was found for AGG.

AGG will provide the required insurance policies prior to the start of the Lease Agreement, naming the County of Los Angeles as an additional insured.

AGG is a wholly-owned subsidiary of AGC.

County Counsel has approved the Lease Agreement as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed approval of the Lease Agreement is categorically exempt from the California Environmental Quality Act (CEQA). The Lease Agreement for the management, operation, and maintenance of the Chester Washington and Maggie Hathaway Golf Courses, for a ten-year term, is within a class of projects that have been determined not to have a significant effect on the environment in that they meet the criteria set forth in Section 15301 of the State CEQA Guidelines and Class 1(r) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G because the Lease Agreement consists of the management, operation, and maintenance of existing public facilities.

In addition, based on the proposed Lease Agreement records, it will comply with all applicable regulations, it is not in a sensitive environment and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon your Board's approval of the recommended actions, the Department will file a Notice of Exemption with the County Clerk in accordance with section 21152 of the California Public Resources Code.

CONTRACTING PROCESS

On April 16, 2019, the Department released a Request for Proposals (RFP) for the operation and maintenance of Washington/Hathaway Golf Courses and posted the solicitation and contracting opportunity announcement on the County's "Doing Business with Us" website, including a link to download the RFP package and bilingual instructions on how to contact the Department regarding this RFP.

On May 9, 2019, a Proposers Conference and Site Visit were held and four (4) companies attended.

On May 29, 2019, the Department received two (2) proposals. Each proposal was reviewed by the Department's staff to ensure compliance with mandatory minimum requirements outlined in the RFP. Having met those requirements, each of the proposals was evaluated by an Evaluation Committee. The Evaluation Committee consisted of three (3) members selected by the Department.

Using the Informed Averaging Scoring methodology, the evaluation committee evaluated the proposal based on the criteria identified in the RFP, which included: proposer's experience and qualifications; proposed revenue to the County; proposer's maintenance and operational plan; proposer's pro forma; and acceptance/exceptions to terms and conditions of the sample Lease Agreement.

Based on the evaluations of the proposals, it is recommended that the Lease Agreement for the management, operation, and maintenance of Washington/Hathaway courses be awarded to American Golf of Glendale.

It should be noted that upon final analysis and award, AGG was selected without regard to gender, race, creed, or color.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current public services.

CONCLUSION

It is requested that three (3) adopted copies of the action taken by your Board be forwarded to the Department.

Should you have any questions, please contact:

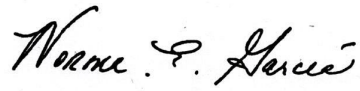
Matthew Green at (626) 588-5259 or via email at mgreen@parks.lacounty.gov, Sandra Salazar at (626) 588-5266 or via email at ssalazar@parks.lacounty.gov, Alyssa Bellew at (626) 588-5370 or via email at abellew@parks.lacounty.gov or Dora Nuñez at (626) 588-5355 or via email at dhnunez@parks.lacounty.gov.

The Honorable Board of Supervisors

9/29/2020

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Respectfully submitted,

A handwritten signature in black ink, reading "Norma E. Garcia". The signature is written in a cursive style with a large, stylized "N" and "G".

Norma E. Garcia

Director

NEGG:MRRL:SS:MG:rc

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

**COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
AWARD BOARD LETTER
MINORITY VERIFICATION SHEET**

DIVISION	Parks and Recreation - Contracts Division
AGENDA DATE	September 15, 2020
SUBJECT: Management, Operation and Maintenance of the Chester Washington & Maggie Hathaway Golf Courses	
How many of the proposers are certified local small business enterprises (LSBE) or certified minority, women, disadvantaged, or disabled veteran businesses (CBE)?	
Answer: One (1) proposer stated that it's certified as a disadvantaged business enterprise, but didn't provide proof of certification.	
How many of the contract awards are going to certified local small business enterprises (LSBE) or certified minority, women, disadvantaged, or disabled veteran businesses (CBE)?	
Answer: No contract is going to a certified minority, women, disadvantaged or disabled veteran owned business (CBE) or a certified local small business enterprise (LSBE).	